

Information on SB 285
Requested by Sen. McGee
Senate Judiciary Committee
Prepared by Jerry Keck, Administrator
Employment Relations Division
Department of Labor and Industry
February 5, 2009

SENATE JUDICIARY

EXHIBIT NO. 7

DATE 2/9/09

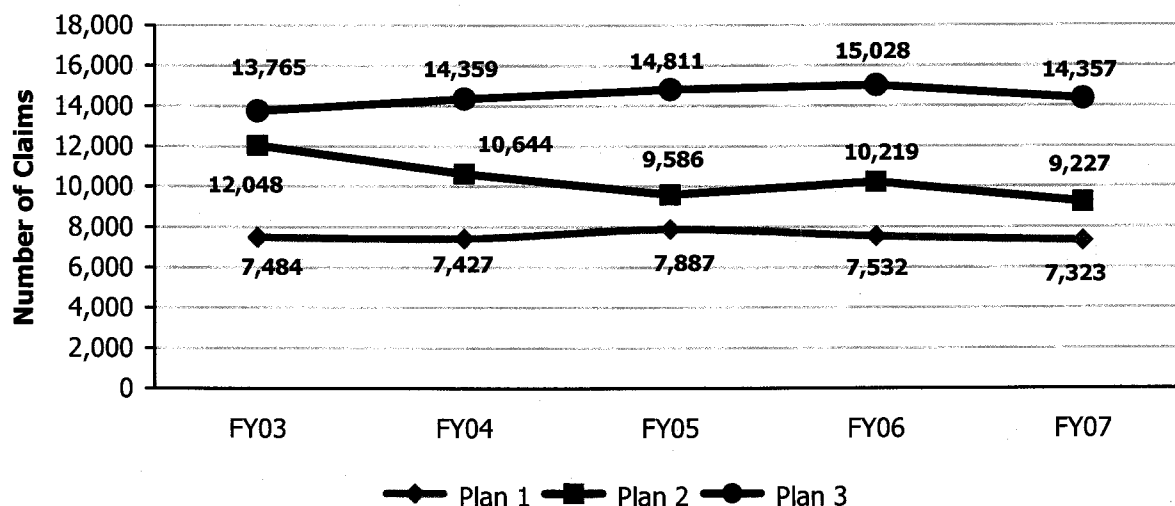
FILE NO. SB285

	<u>FY 2006</u>	<u>FY 2007</u>
Reported Workers' Compensation Claims (Att. 1)	32,903	30,970
Claims in Mediation (Att. 2)	1,559	1,485
Resolved in Mediation (81% in FY 06; 79% in FY 07)	1,263	1,173
Unresolved Benefit Disputes	296	312
Disputes involving Denial of Medical Benefits (app. 24%)	71	75

Comparison of Claims by Plan Type

This section provides the most current summary available on reported claims through FY07. The information is based on First Reports of Injury and Occupational Disease received by the ERD. Both medical only and indemnity claims are included.

Exhibit 3.1
Reported Claims¹ - Five Year Trend
By Plan Type²



Notes:

¹Total claim numbers continually change due to reporting.

²Plan types: Plan 1 – Self Insured Employers, Plan 2 – Private Insurance, Plan 3 – Montana State Fund.

Exhibit 3.2
Reported Claims¹
By Plan Type² and Fiscal Year of Injury

Plan Type	FY03		FY04		FY05		FY06		FY07	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Plan 1	7,484	22.4%	7,427	22.9%	7,887	24.4%	7,532	22.9%	7,323	23.6%
Plan 2	12,048	36.1%	10,644	32.8%	9,586	29.6%	10,219	31.1%	9,227	29.8%
Plan 3	13,765	41.3%	14,359	44.2%	14,811	45.8%	15,028	45.7%	14,357	46.4%
UEF	52	0.2%	69	0.2%	72	0.2%	124	0.4%	63	0.2%
Total	33,349	100%	32,499	100%	32,356	100%	32,903	100%	30,970	100%

Notes:

¹Total claim numbers continually change due to reporting.

²Plan types: Plan 1 – Self Insured Employers, Plan 2 – Private Insurance, Plan 3 – Montana State Fund.

Mediation

The Workers' Compensation Mediation Unit of ERD administers a mandatory process for resolving disputes dealing with benefits for both occupational injury and occupational disease claims. The mediation process is confidential, non-binding and informal. The mediator facilitates the exchange of information between the parties and assists with solutions aimed at resolving the dispute. Conferences are held either in person in Helena or by telephone. Often more than one conference is held in order to resolve the disputes on a claim. In FY07, the Mediation Unit received and processed 1,312 petitions, which involved 1,485 claims. A petition is a request for mediation and may include multiple claims.

Exhibit 5.3
Claims in Mediation - FY07
By Plan Type¹

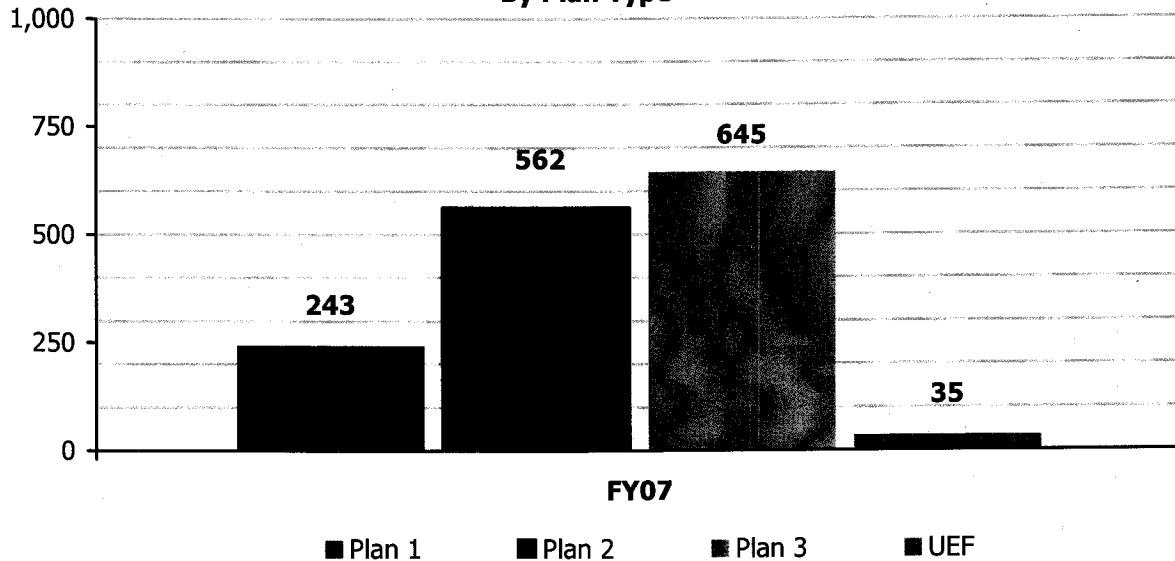


Exhibit 5.4
Claims in Mediation
By Plan Type¹ and Fiscal Year of Receipt

Plan Types	FY03		FY04		FY05		FY06		FY07	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Plan 1	244	18%	273	19%	270	17%	268	17%	243	16%
Plan 2	625	46%	577	41%	542	37%	588	38%	562	39%
Plan 3	451	33%	552	39%	622	43%	675	43%	645	43%
UEF	36	3%	16	1%	28	2%	28	2%	35	2%
Totals²	1,356	100%	1,418	100%	1,461	100%	1,559	100%	1,485	100%

Notes:

¹Plan types: Plan 1 – Self-Insured Employers, Plan 2 – Private Insurance, Plan 3 – Montana State Fund and UEF – Uninsured Employers Fund

²Total count represents the number of claims, not the number of petitions. Due to coverage and claim updates to our database following mediation, the claim counts may be changed slightly over prior years.